

SA Corporate Real Estate Limited ("SA Corporate" or "the Group") Incorporated in the Republic of South Africa Share Code: SAC; ISIN Code: ZAE000203238 (Registration number 2015/015578/06)

INTRODUCTION

Full year 4.4% higher than 2016

than 2016

Acquisitions:

issue of 113m shares

Cost (Rm) | Acquisition | Yield forecast 1s

date

01/2017

02/2017

02/2017

-04/2017

02/2017

03/2017

03/2017

04/2017

04/2017

05/201

06/2017

07/2017

07/2017

07/2017

07/2017

07/2017

08/2017

08/2017

08/2017

09/201

09/2017

10/201

12/2017

12/2017

12/2017

12/2017

12/2017

Cost (Rm) | Acquisition | Yield forecast 1st

date^

01/2018 1

02/2018

11/2018

02/2018

05/2018

03/2018

09/2018

04/2018

07/2018

08/2018

03/2020

Acquisition | Yield forecast 1st

12 months (%)

Exit vield on

price (Rm) sale price (%)

15,0

407,0

37,0

25,0

55,0

539,0

1 Sale of 50% undivided share; exit yield of 8.2% was calculated on the selling price plus defensive capex and is 8.6%

price (Rm)

86,8

12,0

52,0

2,7

78,5

86.5

57.0

36,0

18,3

53,6

2,4

479.0

13.6

31.12.2016

4.5

8.8

2.7

10.4

3.4

8.7

7.9

¹ Vacancy calculated on number of units, influenced by tenanting up phases on properties in Fourways and Sandton.

Afhco retail vacancies continued on a downward trajectory. Residential vacancies were lower than 2016, due to

diversification into suburban residential and mitigating measures taken to stem vacancies in the inner-city portfolio.

978,4

Expected Gross selling

10.7

11.1

10.9

7.1

6.8

9.5

8.2

Exit yield on

sale price (%)

8.6

6.2

8.8

9.0

8.8 2

 12.1^{3}

7.9

7.7

7.6

8.8

10.0

8.9

date^

03/2018

07/2018

-01/2019

72,0

29,7

43,5

40,6

178,0

23,2

5,

22,5

41,1

65,6

152,0

18,0

75,

48,7

98,0

99,8

16,4

14,3

19,8

164,3

38.

74,1

15,3

58,6

252,3

12,2

21,0

289,8

1 396,8

Cost (Rm)

105,0

148,3

253,3

date

01/2017

03/2017

05/2017

10/2017

10/2017

transfer date

01/2018

03/2018

03/2018

03/2018

04/2018

04/2018

04/2018

04/2018

04/2018

04/2018

04/2018

06/2018

12/2018

31.12.2017

3.1

6.4

2.3

16.5

16.5

7.3

2.1

7.0

10.7

4.3

Vacancy as % of GLA*

Transfer Gross selling

^ Acquisition date represents the expected effective date of the transaction

^ Acquisition date represents the expected effective date of the transaction

1 450,1

¹ Units are in the process of being sold with an anticipated annualised return of at least 20%

>>>> Completed and committed developments

of R2,1bn

******* Property performance NPI growth of 13.7%

Traditional portfolio tenant retention is 81.6% Retail positive rental reversions of 5.5%

Traditional portfolio vacancy of 2.3% of GLA

Jector	vacuity (70)	(70)					
		Monthly	2018	2019	2020	2021	Thereafter
Traditional Portfolio:							
Industrial	1.5	0.9	26.9	17.4	11.0	17.8	24.5
Retail	3.1	6.9	16.1	13.6	17.5	11.1	31.7
Commercial	6.4	5.7	17.9	16.6	22.2	24.9	6.3
Traditional Portfolio total	2.3	3.0	23.1	16.2	13.7	16.3	25.4
Afhco Portfolio:							
Residential	7.3	45.9	46.7	0.1	-	-	-
Retail / Commercial	2.1	11.1	17.8	11.4	25.1	10.6	21.9
Afhco Portfolio total	7.0	35.8	39.8	2.9	6.3	2.6	5.6
Rest of Africa Portfolio:							
Retail	2.7	-	4.2	33.0	13.1	16.7	30.3
Commercial	10.7	-	4.0	52.6	17.7	8.7	6.3
Doct of Africa Dortfolio total	12	_	4.2	26.0	1/1	15.1	25.4

Sector	Expiries (m ²)	Retention (m ²)	Retention (%)	Rental reversions (%)	Escalation (%)
Traditional Portfolio:					
Industrial	159,113	133,510	83.9	(2.4)	8.0
Retail	62,891	50,281	79.9	5.5	7.6
Commercial	10,997	6,425	58.4	(12.3)	7.9
Traditional Portfolio total	233,001	190,216	81.6	0.8	7.8
Afhco Portfolio:					
Retail / Commercial	5,875	4,124	70.2	0.2	9.0

With 20% of the traditional portfolio expiring in 2017, the Group successfully retained 81.6% of its tenants at a total reversion of 0.8%. Amid trying economic conditions, the retail portfolio achieved positive reversions of 5.5%. Commercial

The reversions were negatively impacted by a tenant occupying 698m², downsizing and renewing at a lower rental. If this reversion is excluded, the rental reversion would have been 3.5%.

BORROWINGS

The debt profile as at 31 December 2017 is detailed below:

Facility	Maturity date	Value (Rm)	Interest Rate (%)
Term revolver 1	26.06.2018	675	8.66
Fixed	13.08.2018	200	8.95
Fixed	13.08.2018	270	8.90
Fixed	13.08.2018	30	8.90
Term revolver ²	24.03.2019	-	8.81
Term revolver ³	01.11.2019	-	8.93
Fixed	15.12.2019	848	9.14
Fixed	03.01.2020	500	9.06
Fixed	13.06.2020	950	9.12
Fixed ⁴	01.11.2020	334	3.59
Fixed	11.12.2020	500	9.16
Fixed	11.12.2021	500	9.29
Fixed	13.12.2021	550	9.19
Fixed	11.12.2022	300	9.35
Amortising	15.04.2024	111	6.88
Sub-total		5,768	8.72
Cross Currency Swap	19.09.2022	(132)	9.35
Cross Currency Swap ⁴	19.09.2022	124	3.98
Total/weighted average		5,760	8.61

¹ R750m revolving credit facility undrawn

3 R300m revolving credit facility undrawn

The weighted average cost of debt was 8.4% excluding swaps and 8.6% including swaps with a weighted average swap

margin of 0.205% and a weighted average debt margin of 1.67%. The weighted average tenor of loans is 2.7 years, which includes facilities maturing in June and August 2018, excluding

raised to fund the acquisitions and developments.

The Group entered into a cross currency swap, swapping R132m of debt at a variable rate of 9.35% for a \$10m debt

at a fixed rate of 3.98%.

70.1% of total debt drawn was fixed through a combination of fixed rate debt and interest rate swaps in respect of its variable debt for a period of 3.3 years.

STRATEGY AND PROSPECTS

growth. This is to be achieved by:

- redevelopment of existing warehousing to state of the art logistics facilities and by improving the quality of the portfolio to meet tenants' operational requirements. . Continuing to enhance the quality of the Group's retail property portfolio through the redevelopment of its existing
- efficiency projects and increasing non-GLA income.
- Ensuring the Afhco residential portfolio contributes to sustainable distribution growth for the group by active asset management in recycling capital from poorer quality properties to well located, newly developed assets. Recent interventions in respect of marketing, building improvements, amenities, property management and leasing that have been successful in reducing vacancies will be deployed further to generate robust net property income growth

The like-for-like ("LFL") retail portfolio is anticipated to show strong growth above inflation which is to be partially offset 2017 and increased refinancing costs in 2018 are to further negate growth in 2018.

Based on the aforementioned the Board's view is that distribution growth will be flat for the 2018 year with a weaker first half followed by a stronger second half. The 2019 distribution is anticipated to grow by at least inflation

	As at	As at
SUMMARISED CONSOLIDATED STATEMENT	31.12.2017	31.12.2016
OF FINANCIAL POSITION (R000)	Audited	Audited
Assets		

Investment property	15,712,340
Letting commissions and tenant installations	48,187
Investment in joint ventures	847,033
Property, plant and equipment	16,703
Intangible assets	81,904
Swap derivatives	138,849
Rental receivable - straight line adjustment	191,348
Listed shares	170,260
Other financial assets	2,611
Loans to developers	131,027
Deferred taxation	-

Trade and other receivables Other financial assets

Inventory Loans to developers Taxation receivable Cash and cash equivalents

Letting commissions and tenant installations

Share capital and reserves

Non-current liabilities

Interest bearing borrowings - Local Interest bearing borrowings - Foreign

Swap derivatives Loan from non-controlling shareholder Deferred tax

Current liabilities

Trade and other payables

1.479.389 1.560.263 349,073 302,082 1,175,357 1,152,000 17,019 17,019 18,474 8,288 340

17,340,262

1.160.363

351.093

215.795

12,609

40,509

263,894

275,454

890,271

888,736

19,390,896

13,008,861

4,821,772

4,481,806

93,605

154,554

90.191

19,390,896

1,616

1,535

157

852

15,571,401

14,357,675

54,410

799,389

8,369

81,904

37,444

175,695

52,800

1,806

1,909

972.116

350.432

112,090

10,009

43,741

263,956

191,380

445,694

444,700

16,989,211

12,070,009

3,439,813

3,318,983

16,989,211

112,475

8,355

994

437

Interest bearing borrowings - Local Swap derivatives

Interest bearing borrowings - Foreign

Total share capital, reserves and liabilities

cost (Rm) 12 months 05/201 Retail Gautena Retail KwaZulu-Natal 08/2017 12/2017 KwaZulu-Natal Retail 12/2017 8.8 Midway Mews, Halfway Gardens Retail Gauteng Cambridge Crossing, Sandton 12/2017 Retai Gauteng

Completion

9.1 908.8 1 75% Undivided share of development cost

Properties	development cost (Rm)	Forecast completion date	forecast 1st 12 months (%)	Sector	Region
Cullinan Jewel Shopping Centre, Pretoria	14,5	01/2018	9.0	Retail	Gauteng
57 Sarel Baard Crescent, Centurion	391,0	08/2018	7.91	Industrial	Gauteng
Cnr Old Pretoria and Alexandra Roads,	140,0	12/2019	10.02	Commercial/	Gauteng
Midrand				Residential	
252 Montrose Ave, Randburg	92,0	04/2019	10.5	Commercial/	Gauteng
				Residential	
North Park Mall Residential, Pretoria	141,7	03/2019	10.0	Retail/	Gauteng
				Residential	
Afhco pipeline 3	425.7	10/2018	10.8	Retail/	Gauteng

² Vacancy calculated on number of units and includes a fully vacant acquisition into Calgro M3 joint venture in December 2017 without which the residential vacancy would be 5.7% The traditional portfolio vacancies by GLA reduced to 2.3% (2016: 2.7%) and a decrease in vacancy by rental income to 2.4% (2016: 2.5%). The reduction in vacancies by GLA stem from further improvements in retail and commercial vacancies with a marginal increase in industrial vacancies which remains well below the sector average

the closing rental of an initial 5 year lease renewed for a further 7 year period. There has been an improvement in the Zambian retail vacancies due to the take up of the vacant space at Jacaranda Mall in the last quarter of the year. The increase in commercial vacancies is due to a tenant occupying 1,338m², vacating ³ Includes bulk acquired for development of R28,2m. In addition to the above, Afhco owns and has contracted

development bulk which represents a pipeline of R1,1bn in the next 4 years.

South Africa with a secondary node in Zambia. REVIEW OF FINANCIAL RESULTS AND PORTFOLIO PERFORMANCE Distribution Growth

SA Corporate delivered growth in distributions per share for the year ended December 2017 of 4.4%. This amounts

to a full year distribution of 44.92 cents per share ("cps") (2016; 43.02 cps) and a second half distribution of 22.54

SA Corporate Real Estate Limited is a JSE-listed Real Estate Investment Trust ("REIT") which owns a diversified portfolio

of industrial, retail, commercial, storage and residential buildings located primarily in the major metropolitan areas of

Total net property income ("NPI") increased by 13.7%, with the like-for-like increasing by 5.7% Retail NPI growth of 14.2% was underpinned by strong tenant retentions of 79.9%, weighted average lease escalations

of 7.6%, positive reversions of 5.5%, reduction in vacancies by gross letting area ("GLA") and rental income of 1.4% and 0.3% respectively and acquisitions contributing 5.6%. The retail like-for-like (excluding developments) portfolio grew by 6.8% and if the growth generated from solar installations and green initiatives is included, this increases to 3.7%. The overall retail performance was further enhanced by proactive unlocking of value in the retail portfolio through redevelopments and improvements to tenant mix

Industrial like-for-like portfolio NPI growth of 5.9% was better than inflation, supported by 8.0% rental escalations and tenant retentions of 83.9%

Afhco NPI grew by 52.1% due to net positive investment activities. Afhco like-for-like NPI grew marginally by 0.9%, mainly due to increased vacancies and security costs especially in the fashion district. Increased vacancies arose as a result of competition further impacted like-for-like performance, necessitating mitigating measures to rebase the innercity portfolio. These initially impacted returns in the short-term, through the introduction of lifestyle improvements, loyalty programs, transportation and increased security. Affico residential vacancies were 7.3% in December 2017 (2016: 10.4%). This includes the transfer of the first newly developed building still to be tenanted to the Calgro M3 joint venture late in December 2017, excluding which the vacancy would have been 5.7%. Afhco incurred losses as a consequence of vacating the Nukerk building to comply with the sale agreement with the purchaser which the purchaser did not implement. The Group is negotiating to recover these losses.

The income from the investment in the Zambian joint venture reduced by 13.6%, due primarily to the appreciation of the Rand and the expiry of the yield guarantee.

Net Finance Costs

Net funding cost increased by 36.1%, this is aligned to the increase in investment activity resulting in increased debt levels. This is also attributable to increased marginal cost of funding in respect of refinancing of expiring debt and a reduction in borrowing costs capitalised in respect of the completion of major retail developments.

The Group successfully raised R600m of equity by issuing 113,207,547 shares via a combination of an issuance for cash at a discounted price of 530 cps cum dividend. This resulted in an antecedent distribution of R26.0m

DISTRIBUTION STATEMENT

DISTRIBUTABLE EARNINGS (R000)	Year ended 31.12.2017	Year ended 31.12.2016
Rent (excluding straight line rental adjustment and NCI 1)	1,509,425	1,328,181
Net property expenses	(138,909)	(123,171)
Property expenses	(711,433)	(614,981)
Recovery of property expenses	572,524	491,810
Net property income	1,370,516	1,205,010
Investment in joint venture	58,960	68,221
Taxation on distributable earnings	(260)	(1,008)
Dividends from investments in listed shares	23.783	-

221 08) (226,569) Net finance cost (308,443) 78,263 48,349 Interest income Interest expense (386,706) (274,918)Distribution related expenses (45,506)(47,569)Distribution related income 11,631 17,624 Antecedent distribution 26,029 1,015,709 Distributable earnings 1,136,710 566,355 493,925 Interim Final 570,355 521,784 Shares in issue (000) 2,530,689 2,417,482

Final ¹ NCI = Rent attributable to non-controlling interest

Weighted number of shares in issue (000)

Distribution (cents per share)

Interim

The Group's independently valued property portfolio increased by R1,8bn (12.0%) to R16,8bn as at December 2017 (December 2016: R15,0bn). This excludes the Zambian portfolio of R0,8bn that has been equity accounted but includes the net investment of R1,8bn in respect of acquisitions, developments, capex and disposals. The like-for-like portfolio held for the full 12 months to December 2017 increased by R424.8m (4.3%) from December 2016.

The capitalisation and discount rates in the Group's like-for-like portfolio at 31 December 2017 were calculated on a

weighted average basis:							
Sector	Capitalisati	Capitalisation rate (%)		t rate (%)	Growth in like-for-like portfolio (%)		
	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017		
Industrial	9.3	9.1	15.3	15.1	2.9		
Retail	8.7	8.7	14.7	14.7	6.7		
Commercial	9.0	8.9	15.0	14.9	3.4		
Afhco	10.3	10.3	*	*	4.1		
Weighted average	9.4	9.2	15.1	14.9	4.3		

* Afhco properties are not valued on a discounted rate basis, but on the basis of capitalisation of the net income earnings in perpetuity, due to the short term nature of residential leases.

The NAV per share (514 cps) increased by 3.0% (December 2016: 499 cps) of which an increase of 3.5% is attributable to property valuations, and 0.4% is attributable to foreign exchange adjustments, reduced by swap, investment in properties and investment in listed shares valuations representing 0.4%, 0.3% and 0.2% respectively.

PROPERTY PORTEOUTO

The portfolio comprised 196 properties (December 2016: 179) which excludes the 3 Zambian properties held as a 50% investment in a JV. The sectoral and geographic spread by value as at 31 December 2017 are set out below

Sectoral Spread Geographic Spread Storage R0,1bn 23,468 m² Limpopo R0.4bn R3,4bn 351,254 m² 14 properties 1 property 5 properties 56 properties Western Cape R0,7bn 73,661 m² Industrial 1% 738,576 m² 21% 86 properties Commercial 11 properties R1,0bn 63,237 m² 13 properties 29% 30% 62% Gauteng R10,2bn KwaZulu-Natal R5,0bn 409,405 m² 970,067 m² 131 properties Retail R7,1bn 48 properties 360.528 m²

27 properties The above excludes:

Properties

1. Development bulk across the Traditional, Afhco and Storage portfolios measuring 162,147m² comprising 16 properties and valued at R0,4bn

Tota

- 2. Listed investments of R0,2bn
- 3. Joint venture investment in Zambia valued at R0,8bn 4. Non-controlling interest Redevelopments completed:
- forecast 1st date East Point, Boksburg Hayfields Mall, Pietermaritzburg Umlazi Mega City, Umlazi ¹
- ² The yield ex defensive capital is 11.8% and 11.5% respectively
- Committed Redevelopments:

	cost (Rm)	date	12 months		
			(%)		
fullinan Jewel Shopping Centre, Pretoria	14,5	01/2018	9.0	Retail	Gauteng
7 Sarel Baard Crescent, Centurion	391,0	08/2018	7.91	Industrial	Gauteng
nr Old Pretoria and Alexandra Roads,	140,0	12/2019	10.0 2	Commercial/	Gauteng
lidrand	-			Residential	-
52 Montrose Ave, Randburg	92,0	04/2019	10.5	Commercial/	Gauteng
				Residential	
orth Park Mall Residential, Pretoria	141,7	03/2019	10.0	Retail/	Gauteng
·				Residential	-
fhco pipeline 3	425,7	10/2018	10.8	Retail/	Gauteng
	,	-08/2019		Residential	
otal	1 204,9		9.6		

1 Yield of 7.9% based on the pre-development valuation using a market rental, which is a negative 40% reversion on ² Development cost net of proceeds from sale of units.

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017 **Distribution growth**

1st and 2nd half both 4.4% higher

Properties/Listed Property Investment

Long Street Precinct Bulk, Jeppestown

51 Pritchard Street, Johannesburg CBD

Indirect Investment in Phase 3A, Zambia

African City Mall Phase 1, Johannesburg CBD

Reef Acres (Real right of extension), Springs

Safari Investments RSA Ltd - 20 000 000

Northgate Heights Phase 1A, Northgate

M&T Development - Burgundy, Centurion

M&T Development - Minuet Phases 1 & 2,

Panama House Phases 1 & 2, Johannesburg

Northgate Heights Phase 1B, Northgate

African City Mall Phase 2A, Johannesburg

Indirect investment in Phase 3B, Zambia

Calgro M3 Developments - South Hills

Calgro M3 Developments - Scottsdene

Land/Bulk acquired for development

Contracted and Unconditional Acquisitions:

Northgate Heights Phase 1E, Northgate

Northgate Heights Phase 2&3, Northgate

M&T Development - Etude Phases 1-6

Long Street Precinct bulk (Parcels 5-7),

African City Mall Phase 2B, Johannesburg

M&T Development - Founders Hill Phases

Land/Bulk acquired for development

Contracted and Conditional Acquisitions:

Storage Genie Freehold properties

35 Circuit Road, Westmead

36 Wankel Street, Jet Park

excluding defensive capex

Atterbury Décor, Pretoria#

Rhodesdene Shopping Centre,

28 Durham Street, Mthatha #

21 Pomona Road, Pomona #

The Mall, Vanderbijl Park #

Contracted and unconditional

VACANCIES AND LEASE EXPIRIES

Traditional Portfolio:

Traditional Portfolio total

Storage Portfolio total

Storage Portfolio:

Afhco Portfolio:

Retail / Commercial

Afhco Portfolio total

Rest of Africa Portfolio:

Rest of Africa Portfolio total

* GLA = Gross lettable area

Residential 2

Retail

Commercia

Total

Sector

Industrial

Commercia

Retail

Region

¹ Transferred

² Blended yield

1/5 Stockville Road, Westmead

11 Coconut Grove, Shakashead #

Beryl Street, Jet Park Ext 3, Boksburg

³ Exit yield in year 2 is 6.8% due to a negative reversion

Vacancies in terms of rentable area and rental income were as follows:

9/15 Lanner Road, New Germany

Hotel at Cullinan Jewel Shopping

22 Voortrekker Road, Vredenburg #

6 Cedarfield Close, Springfield Park #

Lebombo Road, Garsfontein (Portion)#

Contracted Disposals:

Kimberley #

Centre, Pretoria

Pine Crest Shopping Centre, Pinetown 1

African Diamond, Johannesburg CBD

Textile House, Johannesburg CBD

² Represents 60% ownership

Calgro M3 Developments Phases 1-5

* Listed property investment; not included in investment property

Northgate Heights Phases 1C & 1D,

Golf Park, Phillip Nel Park, Pretoria

Steelport Residential, Steelport

Andrea Close & Dennehof and

Erf 286 Erand (storage land)

Cnr of Rockey and Davies Streets,

Erf 8383 Milnerton (retail & storage

Storage Genie Leasehold properties

Bloekomhof, Vereeniging

Friendship Town, Midrand

Reef Acres, Springs

Doornfontein

shares

Midrand

CBD

CBD

Total

Properties

Midrand

CBD

Total

¹ Transferred

Properties

Total

Disposals:

Properties

The Oaks, Ermelo

2,473,310

44.92

22.38

22.54

2,320,805

43.02

21.44

21.58

Jeppestown

1-6, Founders Hill ²

Northgate

Calderwood, Boksburg

Phase 1, Scottsdene

Phases 1A-1C, South Hills

development land)

****** Capital structure

70.1% of debt fixed R0.6bn of equity raised from the

12 months (%)

11.0

10.0

11.0

10.3

9.0^

#

10.3

18.3

10.0

8.7

10.0

10.3

10.0

10.0

11.0

10.0

10.0

10.7

10.7

10.6

12 months (%)

10.0

10.7

11.0

10.0

11.0

10.0

10.5

Sector

Residentia

Residential

Residentia

Residential

Residentia

Retail

Storage

Retail

Retai

Storage

Retail

Storage

Residentia

Residentia

Residential

Residential

Residential

Residentia

Residential

Residentia

Residential

Residentia

Residential

Retail

Sector

Residentia

Residentia

Residential

Residentia

Residential

Retail

Sector

Retail

Storage

Sector

Industrial

Secto

Retail

Retail

Retai

Commercial

Commercial

Industria

Industrial

Vacancy as % of rental income

31.12.2017

3.0

6.0

2.4

22.9

22.9

9.2

1.7

7.4

8.0

3.0

Afhco Retail

Industrial

8.8 ² Commercial

Residentia

Residentia

Industrial KwaZulu-Natal

Retail | KwaZulu-Natal

Retai

Region

Limpopo

Gauteng

Gauteno

Gauteng

Gauten

Gauteng

Gauteng

Zambia

Gauteno

Gauteng

Gauteng

Gauteng

Gauteng

Gauteng

Gauten

Gauteng

Gauteng

Gauteng

Gauteng

Gauteno

Gauteng

Zambia

Gauteno

Region

Gauteng

Gauteng

Gauteno

Gauteno

Gauteng

Gauteng

Region

Mpumalanga

Gauteng

Region

Gauteng

Gauteng

Gauteng

Region

Gauteng

Gauteng

Gauteng

Gauteng

Gauteng

Gauteng

Eastern Cape

Western Cape

Eastern Cape

KwaZulu-Natal

31.12.2016

0.9

3.3

5.4

2.5

11.1

3.3

8.7

4.0

4.4

4.1

Industrial KwaZulu-Natal

Industrial KwaZulu-Natal

Industrial KwaZulu-Natal

Vestern Cape

Western Cape

Western Cape

PRELIMINARY SUMMARISED AUDITED CONSOLIDATED FINANCIAL

Portfolio activity

R3,1bn

Acquisitions and contracted acquisitions

The lease expiry profile and vacancies (by GLA) are set out below:

Rest of Africa Portfolio total 4.2 36.9 14.1 4.3 15.1

The expiry profile of the storage sector is not disclosed due to the short term nature of the leases.

TENANT RETENTION, RENTAL REVERSIONS AND ESCALATIONS The table below reflects the Group's retention ratio, rental reversions and escalations per sector for the year ended

December 2017:		,		·	,
Sector	Expiries (m ²)	Retention (m ²)	Retention (%)	Rental reversions (%)	Escalation (%)
Traditional Portfolio:					

Sector	Expiries (m²)	Retention (m²)	Retention (%)	Rental reversions (%)	Escalation (%)
Traditional Portfolio:					
Industrial	159,113	133,510	83.9	(2.4)	8.0
Retail	62,891	50,281	79.9	5.5	7.6
Commercial	10,997	6,425	58.4	(12.3)	7.9
Traditional Portfolio total	233,001	190,216	81.6	0.8	7.8
Afhco Portfolio:					
Retail / Commercial	5,875	4,124	70.2	0.2	9.0

reversions were negative, with continued poor performance of this sector. SA Corporate remains underweight in this sector and considers conversion to residential use where the location, demand and viability makes sense. Afhco retail/commercial portfolio expiries were 6.9% of which, 70.2% were retained with a positive reversion of 0.2%.

Term revolver 1	26.06.2018	675	8.66
Fixed	13.08.2018	200	8.95
Fixed	13.08.2018	270	8.90
Fixed	13.08.2018	30	8.90
Term revolver ²	24.03.2019	-	8.81
Term revolver 3	01.11.2019	-	8.93
Fixed	15.12.2019	848	9.14
Fixed	03.01.2020	500	9.06
Fixed	13.06.2020	950	9.12
Fixed ⁴	01.11.2020	334	3.59
Fixed	11.12.2020	500	9.16
Fixed	11.12.2021	500	9.29
Fixed	13.12.2021	550	9.19
Fixed	11.12.2022	300	9.35
Amortising	15.04.2024	111	6.88
Sub-total		5,768	8.72
Cross Currency Swap	19.09.2022	(132)	9.35
Cross Currency Swap ⁴	19.09.2022	124	3.98
Total/weighted average		5,760	8.61

² R200m revolving credit facility undrawn

The loan to value ("LTV") has increased from 29.0% at 31 December 2016 to 32.4% as at 31 December 2017.

which the weighted average tenor of loans would be 3.1 years. The R1,2bn loan which expired in December 2017 was successfully refinanced and an additional R800m of debt was

SA Corporate's objective in 2018 is to consolidate the Group's asset base and position its portfolio for sustainable future · Divesting from industrial and commercial properties that are at risk of extended periods of vacancies or substantial negative rental reversions. Capital proceeds from the aforementioned disposals are to be redeployed in the

by the additional cost of capital on 2017 defensive capex. The LFL industrial portfolio is expected to generate growth of circa 2% impacted by negative renewal reversions from long leases. The strategic redevelopment of a blue chip tenanted distribution centre in Centurion, whilst creating a flagship industrial asset generating predictable growing cash flows for the next decade, will initially negatively affect the industrial portfolio's contribution to distribution. Improvements to the Afhco portfolio are expected to result in it achieving inflationary growth in 2018. The Zambian investment's positive US\$ growth is to be partially offset by the effect of the appreciation of the ZAR against the US\$. Non-recurring base effects of reversals and recoveries, once off transactional fees, the acquisition of Safari shares cum dividend in

Non-current assets

Current assets Swap derivatives Rental receivable - straight line adjustment

Non-current assets held for sale Properties classified as held for disposal

Share capital, reserves and liabilities

in the second half of the year. The Group is in discussions with two corporate tenants in respect of potential re-tenanting. (Continued)



PRELIMINARY SUMMARISED AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

	Year ended	Year ended
SUMMARISED CONSOLIDATED STATEMENT	31.12.2017 Audited	31.12.2016 Audited
OF COMPREHENSIVE INCOME (R000)		
Revenue	2,113,844	1,833,085
Income	2,225,341	1,881,434
Rent	1,509,933	1,328,181
Straight line rental adjustment	31,387	13,094
Recovery of property expenses	572,524	491,810
Interest income	78,263	48,349
Dividends from investments in listed shares	16,138	_
Other group income	17,096	
Expenses	(1,166,172)	(953,663)
Audit fees Administrative fees	(3,276)	(2,950)
Depreciation	(60,631) (4,126)	(58,440)
Interest expense	(386,706)	(274,918)
Property expenses	(628,377)	(547,398)
Property administration fees	(83,056)	(67,583)
Straight line rental adjustment	' -	48
Operating income	1,059,169	927,771
Capital (loss)/gain on disposal of investment properties and property,	1,033,103	327,771
plant and equipment	(8,430)	299
Foreign exchange adjustments	37,176	49,520
Gain on acquisition of subsidiaries	-	232
Profit from joint ventures	121,333	85,288
Revaluation of investment properties and listed investments	372,925	1,508,063
- Revaluations	404,312	1,521,157
- Straight line rental adjustment	(31,387)	(13,094)
Revaluation of swap derivatives	(52,380)	(90,162)
Profit before taxation	1,529,793	2,481,011
Taxation charged	(3,656)	(1,008)
Profit after taxation	1,526,137	2,480,003
Other comprehensive income, net of taxation		
Items that may be reclassified to profit or loss		
Foreign exchange adjustments on investment in joint ventures	(88,018)	(117,773)
Total comprehensive income	1,438,119	2,362,230
Profit attributable to:		
Owners of the company	1,525,629	2,480,003
Non-controlling interest	508	
Profit after taxation	1,526,137	2,480,003
Earnings and diluted earnings cents per share	61.68	106.86
CUMMARTOER CONCOURNATION CTATEMENT OF	Year ended	Year ended
SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (R000)	31.12.2017 Audited	31.12.2016 Audited
CHANGES IN EQUITI (RUUU)		Auditeu
<u> </u>		0 000 015
Share capital and reserves at the beginning of the year	12,070,009	9,980,915
Share capital and reserves at the beginning of the year Total comprehensive income for the year	12,070,009 1,438,119	2,362,230
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued	12,070,009 1,438,119 568,569	2,362,230 658,103
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased	12,070,009 1,438,119 568,569 (10,071)	2,362,230 658,103 (7,098)
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution	12,070,009 1,438,119 568,569 (10,071) 26,029	2,362,230 658,103 (7,098) 17,624
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340	2,362,230 658,103 (7,098) 17,624 7,565
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134)	2,362,230 658,103 (7,098) 17,624 7,565 (949,330)
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340	2,362,230 658,103 (7,098) 17,624 7,565
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134)	2,362,230 658,103 (7,098) 17,624 7,565 (949,330)
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders Share capital and reserves at the end of the year	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134) 13,008,861	2,362,230 658,103 (7,098) 17,624 7,565 (949,330) 12,070,009
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders Share capital and reserves at the end of the year	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134) 13,008,861	2,362,230 658,103 (7,098) 17,624 7,565 (949,330) 12,070,009
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders Share capital and reserves at the end of the year SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS (R000)	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134) 13,008,861 Year ended 31.12.2017 Audited	2,362,230 658,103 (7,098) 17,624 7,565 (949,330) 12,070,009 Year ended 31.12.2016 Audited
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders Share capital and reserves at the end of the year SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS (R000) Operating profit before working capital changes	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134) 13,008,861 Year ended 31.12.2017	2,362,230 658,103 (7,098) 17,624 7,565 (949,330) 12,070,009 Year ended 31.12.2016
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders Share capital and reserves at the end of the year SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS (R000) Operating profit before working capital changes Working capital changes	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134) 13,008,861 Year ended 31.12.2017 Audited 1,374,678	2,362,230 658,103 (7,098) 17,624 7,565 (949,330) 12,070,009 Year ended 31.12.2016 Audited 1,180,390 (18,702)
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders Share capital and reserves at the end of the year SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS (R000) Operating profit before working capital changes Working capital changes Cash generated from operations	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134) 13,008,861 Year ended 31.12.2017 Audited 1,374,678 17,230	2,362,230 658,103 (7,098) 17,624 7,565 (949,330) 12,070,009 Year ended 31.12.2016 Audited 1,180,390 (18,702) 1,161,688
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders Share capital and reserves at the end of the year SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS (R000) Operating profit before working capital changes Working capital changes Cash generated from operations	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134) 13,008,861 Year ended 31.12.2017 Audited 1,374,678 17,230 1,391,908	2,362,230 658,103 (7,098) 17,624 7,565 (949,330) 12,070,009 Year ended 31.12.2016 Audited 1,180,390 (18,702) 1,161,688 (1,253,239)
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders Share capital and reserves at the end of the year SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS (R000) Operating profit before working capital changes Working capital changes Cash generated from operations Operating activities changes	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134) 13,008,861 Year ended 31.12.2017 Audited 1,374,678 17,230 1,391,908 (1,450,793)	2,362,230 658,103 (7,098) 17,624 7,565 (949,330) 12,070,009 Year ended 31.12.2016 Audited 1,180,390 (18,702) 1,161,688 (1,253,239) 48,240
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders Share capital and reserves at the end of the year SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS (R000) Operating profit before working capital changes Working capital changes Cash generated from operations Operating activities changes Interest received Interest paid Taxation paid	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134) 13,008,861 Year ended 31.12.2017 Audited 1,374,678 17,230 1,391,908 (1,450,793) 78,415	2,362,230 658,103 (7,098) 17,624 7,565 (949,330) 12,070,009 Year ended 31.12.2016 Audited 1,180,390 (18,702) 1,161,688 (1,253,239) 48,240 (351,254)
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders Share capital and reserves at the end of the year SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS (R000) Operating profit before working capital changes Working capital changes Cash generated from operations Operating activities changes Interest received Interest paid	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134) 13,008,861 Year ended 31.12.2017 Audited 1,374,678 17,230 1,391,908 (1,450,793) 78,415 (440,868)	2,362,230 658,103 (7,098) 17,624 7,565 (949,330) 12,070,009 Year ended 31.12.2016 Audited 1,180,390 (18,702) 1,161,688 (1,253,239) 48,240 (351,254) (895)
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders Share capital and reserves at the end of the year SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS (R000) Operating profit before working capital changes Working capital changes Cash generated from operations Operating activities changes Interest received Interest paid Taxation paid Distributions paid	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134) 13,008,861 Year ended 31.12.2017 Audited 1,374,678 17,230 1,391,908 (1,450,793) 78,415 (440,868) (206)	2,362,230 658,103 (7,098) 17,624 7,565 (949,330) 12,070,009 Year ended 31.12.2016 Audited 1,180,390 (18,702) 1,161,688 (1,253,239) 48,240 (351,254) (895) (949,330)
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders Share capital and reserves at the end of the year SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS (R000) Operating profit before working capital changes Working capital changes Cash generated from operations Operating activities changes Interest received Interest paid Taxation paid Distributions paid Net cash outflows from operating activities	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134) 13,008,861 Year ended 31.12.2017 Audited 1,374,678 17,230 1,391,908 (1,450,793) 78,415 (440,868) (206) (1,088,134)	2,362,230 658,103 (7,098) 17,624 7,565 (949,330) 12,070,009 Year ended 31.12.2016 Audited 1,180,390 (18,702) 1,161,688 (1,253,239) 48,240 (351,254) (895) (949,330)
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders Share capital and reserves at the end of the year SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS (R000) Operating profit before working capital changes Working capital changes Cash generated from operations Operating activities changes Interest received Interest paid Taxation paid Distributions paid Net cash outflows from operating activities Net cash outflows from investing activities	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134) 13,008,861 Year ended 31.12.2017 Audited 1,374,678 17,230 1,391,908 (1,450,793) 78,415 (440,868) (206) (1,088,134) (58,885)	2,362,230 658,103 (7,098) 17,624 7,565 (949,330) 12,070,009 Year ended 31.12.2016 Audited 1,180,390 (18,702) 1,161,688 (1,253,239) 48,240 (351,254) (895) (949,330)
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders Share capital and reserves at the end of the year SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS (R000) Operating profit before working capital changes Working capital changes Cash generated from operations Operating activities changes Interest received Interest paid Taxation paid Distributions paid Net cash outflows from operating activities Net cash outflows from investing activities	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134) 13,008,861 Year ended 31.12.2017 Audited 1,374,678 17,230 1,391,908 (1,450,793) 78,415 (440,868) (206) (1,088,134) (58,885) (1,736,245)	2,362,230 658,103 (7,098) 17,624 7,565 (949,330) 12,070,009 Year ended 31.12.2016 Audited 1,180,390 (18,702) 1,161,688 (1,253,239) 48,240 (351,254) (895) (949,330) (91,551) (1,335,723) 1,308,313
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders Share capital and reserves at the end of the year SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS (R000) Operating profit before working capital changes Working capital changes Cash generated from operations Operating activities changes Interest received Interest paid Taxation paid Distributions paid Net cash outflows from operating activities Net cash inflows from financing activities Net cash inflows from financing activities	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134) 13,008,861 Year ended 31.12.2017 Audited 1,374,678 17,230 1,391,908 (1,450,793) 78,415 (440,868) (206) (1,088,134) (58,885) (1,736,245) 1,879,204	2,362,230 658,103 (7,098) 17,624 7,565 (949,330) 12,070,009 Year ended 31.12.2016 Audited 1,180,390 (18,702) 1,161,688 (1,253,239) (48,240 (351,254) (895) (949,330) (91,551) (1,335,723) 1,308,313 728,404
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders Share capital and reserves at the end of the year SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS (R000) Operating profit before working capital changes Working capital changes Cash generated from operations Operating activities changes Interest received Interest paid Taxation paid Distributions paid Net cash outflows from operating activities Net cash outflows from investing activities Net cash inflows from financing activities Increase in borrowings	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134) 13,008,861 Year ended 31.12.2017 Audited 1,374,678 17,230 1,391,908 (1,450,793) 78,415 (440,868) (206) (1,088,134) (58,885) (1,736,245) 1,879,204 1,204,486	2,362,230 658,103 (7,098) 17,624 7,565 (949,330) 12,070,009 Year ended 31.12.2016 Audited 1,180,390 (18,702) 1,161,688 (1,253,239) (48,240 (351,254) (895) (949,330) (91,551) (1,335,723) 1,308,313 728,404 600,027
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders Share capital and reserves at the end of the year SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS (R000) Operating profit before working capital changes Working capital changes Cash generated from operations Operating activities changes Interest received Interest paid Taxation paid Distributions paid Net cash outflows from operating activities Net cash inflows from financing activities Increase in borrowings Issue of new shares	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134) 13,008,861 Year ended 31.12.2017 Audited 1,374,678 17,230 1,391,908 (1,450,793) 78,415 (440,868) (206) (1,088,134) (58,885) (1,736,245) 1,879,204 1,204,486 594,598	2,362,230 658,103 (7,098) 17,624 7,565 (949,330) 12,070,009 Year ended 31.12.2016 Audited 1,180,390 (18,702) 1,161,688 (1,253,239) (48,240 (351,254) (895) (949,330) (91,551) (1,335,723) 1,308,313 728,404 600,027 (7,098)
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders Share capital and reserves at the end of the year SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS (R000) Operating profit before working capital changes Working capital changes Cash generated from operations Operating activities changes Interest received Interest paid Taxation paid Distributions paid Net cash outflows from operating activities Net cash outflows from investing activities Net cash inflows from financing activities Increase in borrowings Issue of new shares Treasury shares repurchased	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134) 13,008,861 Year ended 31.12.2017 Audited 1,374,678 17,230 1,391,908 (1,450,793) 78,415 (440,868) (206) (1,088,134) (58,885) (1,736,245) 1,879,204 1,204,486 594,598	2,362,230 658,103 (7,098) 17,624 7,565 (949,330) 12,070,009 Year ended 31.12.2016 Audited 1,180,390 (18,702) 1,161,688 (1,253,239) (48,240 (351,254) (895) (949,330) (91,551) (1,335,723) 1,308,313 728,404 600,027 (7,098)
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders Share capital and reserves at the end of the year SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS (R000) Operating profit before working capital changes Working capital changes Cash generated from operations Operating activities changes Interest received Interest paid Taxation paid Distributions paid Net cash outflows from operating activities Net cash inflows from financing activities Net cash inflows from financing activities Increase in borrowings Issue of new shares Treasury shares repurchased Loan to developer Loan from non-controlling shareholder	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134) 13,008,861 Year ended 31.12.2017 Audited 1,374,678 17,230 1,391,908 (1,450,793) 78,415 (440,868) (206) (1,088,134) (58,885) (1,736,245) 1,879,204 1,204,486 594,598 (10,071)	2,362,230 658,103 (7,098) 17,624 7,565 (949,330) 12,070,009 Year ended 31.12.2016 Audited 1,180,390 (18,702) 1,161,688 (1,253,239) (48,240 (351,254) (895) (949,330) (91,551) (1,335,723) 1,308,313 728,404
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders Share capital and reserves at the end of the year SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS (R000) Operating profit before working capital changes Working capital changes Cash generated from operations Operating activities changes Interest received Interest paid Taxation paid Distributions paid Net cash outflows from operating activities Net cash outflows from investing activities Net cash inflows from financing activities Increase in borrowings Issue of new shares Treasury shares repurchased Loan to developer Loan from non-controlling shareholder Net increase / (decrease) in cash and cash equivalents	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134) 13,008,861 Year ended 31.12.2017 Audited 1,374,678 17,230 1,391,908 (1,450,793) 78,415 (440,868) (206) (1,088,134) (58,885) (1,736,245) 1,879,204 1,204,486 594,598 (10,071) - 90,191	2,362,230 658,103 (7,098) 17,624 7,565 (949,330) 12,070,009 Year ended 31.12.2016 Audited 1,180,390 (18,702) 1,161,688 (1,253,239) (48,240 (351,254) (895) (949,330) (91,551) (1,335,723) 1,308,313 728,404 600,027 (7,098) (13,020)
Share capital and reserves at the beginning of the year Total comprehensive income for the year Shares issued Treasury shares repurchased Antecedent distribution Share-based payment reserve Distribution attributable to shareholders Share capital and reserves at the end of the year SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS (R000) Operating profit before working capital changes Working capital changes Cash generated from operations Operating activities changes Interest received Interest paid Taxation paid Distributions paid Net cash outflows from operating activities Net cash outflows from financing activities Net cash inflows from financing activities Increase in borrowings Issue of new shares Treasury shares repurchased Loan to developer	12,070,009 1,438,119 568,569 (10,071) 26,029 4,340 (1,088,134) 13,008,861 Year ended 31.12.2017 Audited 1,374,678 17,230 1,391,908 (1,450,793) 78,415 (440,868) (206) (1,088,134) (58,885) (1,736,245) 1,879,204 1,204,486 594,598 (10,071) - 90,191 84,074	2,362,230 658,103 (7,098) 17,624 7,565 (949,330) 12,070,009 Year ended 31.12.2016 Audited 1,180,390 (18,702) 1,161,688 (1,253,239) (895) (949,330) (91,551) (1,335,723) 1,308,313 728,404 600,027 (7,098) (13,020) (118,961)

NOTES
Basis for preparation
The summarised consolidated financial statements have been prepared in accordance with the requirements of the JSE

on by the Group's auditors.

Limited Listings Requirements and the Companies Act, No. 71 of 2008. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34, Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements, from which the summarised consolidated financial statements were derived, are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the prior year consolidated financial statements. This report and the consolidated financial statements were compiled under the supervision of AM Basson CA(SA), the financial director. The auditors, Deloitte & Touche, have issued their unmodified opinion on the consolidated financial statements for the year ended 31 December 2017. A copy of their audit report and the financial statements are available for inspection on the website and at the Group's registered address. The audit was conducted in accordance with International Standards on Auditing. These preliminary summarised consolidated financial statements have been derived from the consolidated financial statements and are consistent, in all material respects, with the consolidated financial statements. The summarised financial statements report has been audited by Deloitte & Touche and an unmodified audit opinion has been issued. The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to

obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of that report together

with the accompanying financial information from SA Corporate's registered address or on the Company website. Any

reference to future financial performance or prospects included in this announcement has not been reviewed or reported

Reconciliation of profit after tax to headline earnings and dis		ended		r ended	
		2.2017		2.2016	
		dited		Audited	
	R000	CPS	R000	CPS	
Profit after taxation attributable to shareholders	1,525,629	61.68*	2,480,003	106.86*	
Adjustments for:					
Capital (loss)/profit on disposal of investment properties					
and property, plant and equipment	8,430		(299)		
Revaluation of investment properties and joint ventures	(475 794)	(1,525,695)		
Gain on acquisition of subsidiaries	-		(232)		
Headline earnings	1,058,265	42.79*	953,777	41.10*	
Antecedent distribution	26,029		17,624		
Taxation on distributable income	3,396		-		
Depreciation	4,126		2,422		
Foreign exchange adjustments	(37,176)		(49,520)		
Dividend from investment in listed shares not yet declared	7,645		-		
Revaluation of listed shares	34,540		(8,250)		
Non-distributable expenses	18,401		21,644		
Revaluation of interest rate swap derivatives	52,380		90,162		
Straight line rental adjustment	(31,387)		(13,094)		
Non-distributable expenses on investment in joint ventures	491		944		
Distributable earnings attributable to shareholders	1,136,710	44.92	1,015,709	43.02	
Interim	566,355	22.38	493,925	21.44	
Final	570,355	22.54	521,784	21.58	
* calculated on weighted number of shares in issue					

Business segment	Industrial	Retail C	Commercial	Afhco	Storage	Group
Revenue	605,400	932,048	128,889	437,652	9,855	2,113,844
Rental income (excluding straight						
line rental adjustment)	516,069	555,598	96,945	331,541	9,780	1,509,933
Net property expenditure	(46,328)	(1,770)	(19,062)	(67,487)	(4,262)	(138,909)
Property expenses	(145,263)	(341,165)	(49,682)	(170,986)	(4,337)	
Recovery of property expenses	98,935	339,395	30,620	103,499	75	572,524
Net property income	469,741	553,828	77,883	264,054	5,518	1,371,024
Straight line rental adjustment	(9,604)	37,055	1,324	2,612		31,387
Net interest expense	-	-	-	-	-	(308,443)
Dividend from fixed property comp	oanies -	-	-	-	-	16,138
Other income	-	-	-	-	-	17,096
Foreign exchange adjustments	-	-	-	-	-	37,176
Group expenses	-	-	-	-	-	(68,033)
Profit from investment in joint						
ventures	-	-	-	-	-	121,333
Revaluation of investment						
properties	106,454	293,587	(18,130)	11,789	13,765	407,465
Investment properties	96,850	330,642	(16,806)	14,401	13,765	438,852
Straight line rental adjustment	9,604	(37,055)	(1,324)	(2,612)	-	(31,387)
Revaluation of swap derivatives	-			-	-	(52,380)
Revaluation of investment in listed	l					
shares	-	-	-	-	-	(34,540)
Capital loss on disposal of						
investment properties and propert	у,					
plant and equipment	-	-	-	-	-	(8,430)
Taxation					-	(3,656)
Profit after taxation	566,591	884,470	61,077	278,455	19,283	1,526,137
Other comprehensive income, net						
of taxation					-	(88,018)
Total comprehensive income	566,591	884,470	61,077	278,455	19,283	1,438,119
Total comprehensive income						
attributable to:						
Owners of the company	566,591	884,470	61,077	277,947	19,283	1,525,629
Non-controlling interest				508		508
Total profit after taxation	566,591	884,470	61,077	278,455	19,283	1,526,137
Other information	Industrial	Retail C	Commercial	Afhco	Storage	Group
Properties (excluding straight line						
rental adjustment):	4,766,350	7,158,886	1,078,100	3,713,529	116,068	16,832,933

Acquisitions and improvements Acquisitions through business	70,000	461,017	51,206	1,106,114	36,723	1,725,060
combination	-	-	-	112,627	65,580	178,207
Segmental growth rates (%)	Industrial	Retail C	ommercial	Afhco	Storage	Group
Rental income (excluding straight						
line rental adjustment)	4.5	12.5	(6.5)	39.9	-	13.6
Property expenses	8.3	11.7	6.7	32.6	-	15.7
Recovery of property expenses	(3.5)	14.4	11.7	0.6	-	16.4
Net property income	1.6	14.2	(7.9)	52.1	-	13.7

882.786

846,000

(18,314)

173,332

177,000

(3,668)

54,110

19,426

1,110,228

55,100

3.681.006

3,473,279

(18,923)

226,650

13,178

13,600

210,153

3,904,337

316,816

(422)

3. Significant transactions During the year, the Group acquired the following subsidiaries and joint ventures:

4.146.377

3,906,700

(63,323)

303,000

539,182

556,650

(17,468)

153,587

4,839,146

69,765

70 000

6.886.103

4,441,900

(131,297)

2,575,500

139,399

141,486

(2,087)

333.860

110,906

7,359,362

Non-current investment property

Straight line rental adjustment

Non-current investment property

Classified as held for disposal

Straight line rental adjustment

At valuation

held for sale

Other assets

Total assets

Total liabilities

Under development

Subsidiaries (South Africa)	Principal activity	Date of acquisition	Portion of ownership interest and voting % rights	Consideration transferred R000
Shanike Investments No 85 (RF)				
Proprietary Limited	Investment property	01/02/2017	100%	692
Electprops 91 Proprietary Limited	Investment property	01/03/2017	100%	29,930
Autumn Star Trading 6	Investment property	01/03/2017	10070	29,930
Proprietary Limited	Investment property	01/03/2017	100%	4,652
Vaxirox Investment				
Proprietary Limited	Investment property	01/07/2017	100%	67,790
				103,064
Joint ventures (Zambia)	Principal activity	Date of acquisition	Portion of ownership interest and voting % rights	Consideration transferred R000
Graduare Mauritius Limited				
Phase 3A development	Investment property	01/05/2017	50%	22,401
Graduare Mauritius Limited				
Phase 3B development	Investment property	01/12/2017	50%	38,511
				60,912

NOTES	(continued)

3. Significant transactions (continued)			
Assets acquired and liabilities recognised at date of acquisition:	Investment in subsidiaries 2017 R000	Investment in joint ventures 2017 R000	Total 2017 R000
Non-current assets			
Investment property	178,207	88,176	266,383
Property, plant and equipment	57	-	57
Current assets			
Trade and other receivables	5,320	-	5,320
Taxation receivable	456	-	456
Cash and cash equivalents	186	-	186
Non-current liabilities			
Loans from shareholder	60,823	-	60,823
Interest-bearing borrowings - foreign	· -	27,264	27,264
Current liabilities			
Trade and other payables	4,302	-	4,302
Taxation payable	411	-	411
Current loan	15,626	-	15,626
Fair value of identifiable assets and			
liabilities acquired	103,064	60,912	163,976
Gain on acquisition of subsidiary: Consideration Less fair value of identifiable assets	103,064	60,912	163,976
acquired and liabilities assumed	(103,064)	(60,912)	(163,976)

The consolidated profit and revenue for the year attributable to the acquisition of subsidiaries and joint ventures had these business combinations been in effect at the beginning of the year is set out below:

	Investment in subsidiaries 2017 R000	Investment in joint ventures 2017 R000	Total 2017 R000
From date of acquisition			
Profit / (loss)	116,992	1,841	118,833
Revenue	114,743	2,385	117,128
Full year			
Profit / (loss) for the year	190,511	1,841	192,352
Revenue	137,720	2,385	140,105

The AFHCO Group was acquired on 1 July 2014 to enter the residential Johannesburg inner-city sector and thus to further diversify the Group's property portfolio. The additional acquisitions in Afhco in 2016 and 2017 provided further support to this strategy. During the prior year, the Group entered into the Zambian market in order to diversify internationally. Additional investments were made during the current year in Zambia. During the current year, the Group entered into the storage sector with the acquisition of Vaxirox Investment Proprietary Limited due to its defensive characteristics. Control over the subsidiaries was obtained at acquisition when the Company attained power, rights over the variable returns of the investment, and the ability to use power over the investee

4. Fair value measurement The swap derivatives are valued based on the discounted cash flow method. Future cash flows are estimated based

on forward exchange and interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk. The investment in listed shares is valued at the quoted market price. The investment in joint ventures is valued at the ownership of the underlying joint ventures' net asset value. The fair value of the investment property is determined by an independent registered valuer. The fair value of the industrial, retail, commercial and storage portfolio of investment properties, excluding properties subject to unconditional contracted sales, is based on the discounted cash flow method. The fair value of the inner-city retail, residential and commercial investment properties is based on the capitalisation of the net income earnings in perpetuity. The discounted cash flow method is not appropriate due to the short term nature of the portfolio's leases. The financial instruments are grouped into levels 1 to 3 based on the degree to which the fair value is observable. The table below analyses assets that are measured at fair value.

Investments in listed shares Level 1 Swap derivatives

Level 2 Investment in joint ventures Level 3 Investment property Level 3 There were no transfers between the levels

This announcement does not include the information required pursuant to paragraph 16A(j) of IAS 34. This can be found in the financial statements which are available for inspection on the website.

5. Capital commitments

116.068 15,712,340

116,068 12,783,947

128,135 19,390,896

12.067

5,040

102,303

(231,857)

3,160,250

865,091

888,736

(23,645)

2.813.465

6,382,035

1,903,267

The Group had capital commitments of R2 619,6m as at 31 December 2017 (2016: R407,7m)

6. Dividends and events after the reporting period The Company has declared distribution of 22.54 cents on 27 February 2018. The directors are not aware of other

significant events between the end of the financial year under review and the date of signature of the financial

DISTRIBUTION DECLARATION AND IMPORTANT DATES Notice to shareholders resident in South Africa

Notice is hereby given of the declaration of distribution no.6 in respect of the income distribution period 1 July to 31 December 2017. The distribution amounts to 22.54 cps. The source of the distribution comprises net income from property rentals and interest earned on cash investments. Please refer to the statement of comprehensive income for further details. As SA Corporate has REIT status, shareholders are advised that the distribution meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 ("Income Tax Act"). The distributions on SA Corporate shares will be deemed to be dividends, for South African tax purposes, in terms of section 25BB of the Income Tax Act. The distributions received by or accrued to South African tax residents must be included in the gross income of such shareholders and are not exempt from income tax (in terms of the exclusion to the general dividend exemption, contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because they are dividends distributed by a REIT, with the effect that the distribution is taxable in the hands of the shareholder. These distributions are, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that the South African resident shareholders have provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the transfer secretaries, in respect of certificated shares: a) a declaration that the distribution is exempt from dividends tax; and b) a written undertaking to inform the CSDP, broker or the transfer secretaries, as the case may be, should the circumstances affecting the exemption change or the beneficial owner ceases to be the beneficial owner, both in the form prescribed by the Commissioner for the South African Revenue Service. SA Corporate shareholders are advised to contact the CSDP, broker or transfer secretaries, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the distribution

if such documents have not already been submitted. Notice to non-resident shareholders

Distributions received by non-resident shareholders will not be taxable as income and instead will be treated as ordinary dividends which are exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. It should be noted that until 31 December 2013 distributions received by non-residents from a REIT o dividend withholding tay. From 22 February 2017, any distribution received by a non-reside a REIT is subject to dividend withholding tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation ("DTA") between South Africa and the country of residence of the shareholder.

Assuming dividend withholding tax will be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders is 18.0320 cents per SA Corporate share. A reduced dividend withholding rate, in terms of the applicable DTA, may only be relied on if the non-resident shareholders has provided the following forms to the CSDP or broker, as the case may be, in respect of uncertificated shares, or the transfer secretaries, in respect of certificated shares:

a) a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and b) a written undertaking to inform the CSDP, broker or the transfer secretaries, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner ceases to be the beneficial owner, both in the form prescribed by the Commissioner for the South African Revenue Service. Non-resident shareholders are advised to contact the CSDP, broker or the transfer secretaries, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the distribution if such documents have not already been submitted, if applicable, 2,530,689,337 SA Corporate shares are in issue at the date of this distribution declaration and SA Corporate's income tax reference number is 9179743191.

Last date to trade cum distribution Shares will trade ex-distribution Record date to participate in the distribution Payment of distribution

Monday, 26 March 2018 Tuesday, 27 March 2018 Thursday, 29 March 2018 Tuesday, 3 April 2018

Share certificates may not be dematerialised or re-materialised between Tuesday, 27 March and Thursday, 29 March 2018 both days inclusive. By order of the Board

DIRECTORATE AND STATUTORY INFORMATION

Registered office	Registered auditors	Transfer secretaries	Sponsor
•	•		•
South Wing, First Floor	Deloitte & Touche	Computershare Investor Services (Pty) Ltd	Nedbank Corporate and
Block A	1st Floor	Rosebank Towers	Investment Banking
The Forum	The Square	15 Biermann Avenue	A division of Nedbank Limited
North Bank Lane	Cape Quarter	Rosebank	135 Rivonia Road
Century City	27 Somerset Road	2196	Sandton
7441	Green Point		2196
Tel 021 529 8410	8005		

Directors: J Molobela (Chairman), TR Mackey (Managing)*, AM Basson (Finance)*, RJ Biesman-Simons, A Chowan, GP Dingaan, KJ Forbes, EM Hendricks, MA Moloto, ES Seedat

* Executive B Swanepoel

Company Secretary 27 February 2018